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LRB101 15322 MST 64590 r

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HOUSE RESOLUTION

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WHEREAS, Governor JB Pritzker has proposed to consolidate
649 municipal fire and police pension funds from downstate and
suburban governments into two single consolidated funds; and

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WHEREAS, The recommendation is based on a final report by
the Illinois Pension Consolidation Feasibility Task Force,
dated October 10, 2019; and

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WHEREAS, According to the Task Force report, the 649 plans
cover 43,667 individuals with an actuarial value of assets
totaling \$14.3 billion and an unfunded liability of \$11.5
billion in Fiscal Year 2017; and

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WHEREAS, The Task Force report lists nine Illinois pension
plans covering the areas of Cook County and the City of
Chicago, including the Chicago Teachers' Pension Fund, the
Metropolitan Water Reclamation District Fund, the Laborers'
and Retirement Board Employees A&B Fund, the Policemen's
Annuity and Benefit Fund of Chicago, the Firemen's Annuity and
Benefit Fund of Chicago, the Park Employees' and Retirement
Board Employees' A&B Fund, the Forest Preserve District
Employees' A&B Fund, the Cook County Employees' A&B Fund, and
the Municipal Employees' A&B Fund of Chicago, having a \$44
billion unfunded liability in Fiscal Year 2016 at 42 percent

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1 funded; and

2 WHEREAS, Moody's Investors have reported that Chicago has
3 the most pension debt of any U.S. city; and

4 WHEREAS, Several news sources have reported that the Mayor
5 of Chicago has proposed consolidating the city's pension funds
6 with downstate and suburban pension funds in a new statewide
7 system, with Crain's Chicago Business writing on June 28, 2019
8 that "the mayor is pitching nothing less than a state takeover
9 of the city's cash-short pension funds ... "; and

10 WHEREAS, On October 24, 2019, Forbes wrote "she (the mayor)
11 has repeatedly voiced her desire for some statewide action,
12 whether it be as part of the proposed consolidation of
13 downstate and suburban police and fire and pension funds ... ";
14 and

15 WHEREAS, The Chicago Tribune reported on July 2, 2019 that
16 the Governor "did not close the door on Chicago being included
17 in potential consolidation, saying 'There's no part of the
18 conversation that's being left out,'" ; and

19 WHEREAS, Page 20 of the Illinois Pension Consolidation
20 Feasibility Task Force includes the following statement
21 regarding City of Chicago Pension Funds:

1 "The City of Chicago pension funds have experienced their
2 own unique financial challenges in recent years that
3 warrant specific considerations with respect to the future
4 work of the Task Force. Their current funded levels and
5 projected growth in required employer contributions means
6 significant changes will need to be made to correct course;
7 which may entail greater efficiencies captured through
8 some level of consolidation. As such, the Task Force and
9 the Governor's Office will continue to work with the City
10 of Chicago on this issue as part of the next phase of this
11 work;"; therefore, be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
13 HUNDRED FIRST GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
14 we urge Governor Pritzker and the Illinois Pension
15 Consolidation Feasibility Task Force, in further studying the
16 impact of any pension consolidation proposal, to refuse any
17 attempt to consolidate downstate and suburban pension funds
18 with the City of Chicago or Cook County pension funds or any
19 attempt for the State of Illinois to absorb any liability for
20 any City of Chicago or Cook County pension funds.